Third party analysis briefed on the Hill

RE-ANALYSIS VALIDATES COAST GUARD'S WAY AHEAD WITH DEEPWATER

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The Coast Guard began briefing lawmakers on Capitol Hill last week on an evaluation of the service's much-maligned Deepwater modernization program, which overall validated the current way ahead for the effort, Rear Adm. Gary Blore, the Coast Guard's acquisition executive, told *Inside the Navy*.

The service received the final report, labeled the "Deepwater alternatives analysis," last month and Blore forwarded his recommendations based on the study to Coast Guard senior leadership in a March 3 decision memorandum. Commandant Adm. Thad Allen is expected to approve Blore's decision to pursue a "balanced approach" to Deepwater acquisition in the near future, Cmdr. Brendan McPherson, Allen's spokesman, told *ITN*.

The purpose of the study was to provide an independent analysis of the Deepwater acquisition strategy and future procurement plans for the major assets of the program: the National Security Cutter, the HC-144A Medium Range Surveillance Aircraft, the Offshore Patrol Cutter, the Fast Response Cutter and the vertical unmanned aerial vehicle. The private consultancy group ABSG was tapped to conduct the study in September 2007.

In total, Deepwater is a $24 billion, 25-year program designed to upgrade or replace 91 cutters, 124 small surface craft, 202 aircraft and command, control, communications, computers, intelligence, surveillance and reconnaissance equipment. Integrated Coast Guard Systems -- a partnership between Northrop Grumman and Lockheed Martin -- was initially the Deepwater lead systems integrator until cost overruns led to the Coast Guard taking over the task in April 2007.

The study did not recommend any major changes to the program, Blore noted in a phone interview March 5.

The analysis examined three alternatives for the program: maintaining the status quo, a "managed risk" approach and a "balanced approach," according to the admiral.

All three alternatives validated the Coast Guard's current acquisition plan for its National Security Cutter, the 418-foot vessel that is the cornerstone of the new fleet, and the HC-144A Ocean Sentry surveillance aircraft, the executive summary of the report states. A full summary of the report was not released because it contains competition-sensitive material, the Coast Guard said.

Despite a recommendation to pursue a composite hull for the Fast Response Cutter (FRC), the Coast Guard has decided to pursue an existing ship design yet to be selected, Blore said.

The service felt the study "undervalued the cons" to using a composite material for the ship's hull, the admiral added. Cons include the lack of data on a composite hull patrol boat due to the lack of existing composite hull patrol ships in use around the world, he said.

Further, the Coast Guard does not have developmental funds to spend on testing unproven equipment.

“They [ABSG] acknowledge that the technology readiness and manufacturing readiness of composite patrol boats is less than conventional construction by a good margin,” Blore said.

“We kind of think that’s a showstopper,” he added.

“We’re very much a state-of-the-market organization -- we don’t have developmental funds,” Blore continued. He added that there is “no cost benefit” to pursuing a composite hull form.

The FRC is the smallest of three new classes of cutters under development by the Coast Guard. The 140-foot cutter is intended to replace the service’s outdated and overworked small patrol boats. In 2006, the service suspended design work on the developmental FRC due to technical issues with the composite hull. The problems led the service to pursue a dual-ship strategy, which the service has now decided to scrap and move forward with an existing design slated to be selected sometime this summer, Blore explained.

The study also recommended the Coast Guard pursue the Northrop Grumman “paper design” for its Offshore Patrol Cutter. The Northrop OPC design is the “most attractive candidate asset . . . based on endurance, speed and sea-keeping requirements,” the executive summary says. However, the Coast Guard is committed to an open competition for the OPC in the 2013 time frame, Blore said. The OPC is intended to be a 350-foot cutter with four diesel engines and an endurance of 45 days.

“We are committed to competing the Offshore Patrol Cutter,” the admiral explained. “We’re not necessarily disagreeing with the Northrop Grumman paper design, we’re just saying that will be part of the competition and may the best design win. We think the recommendation is premature. We want to run a free and open competition and that will have a lot more analysis behind it to choose a correct design.”

The other major asset the study evaluated was the unmanned helicopter drone. Originally, the Coast Guard planned to procure Bell Helicopter’s vertical-lift Eagle Eye until that program became burdened by developmental hang-ups.

The study found that the Navy’s Fire Scout drone, built by Northrop, would be the first system to cover all the Coast Guard’s maritime surveillance gaps, Blore said.

The Navy recently announced it would adopt an integrated radar for Fire Scout, which the Coast Guard needs in order to fulfill its requirements. Blore said the Coast Guard agrees that Fire Scout would be a viable option, however the service is not yet ready to commit to the platform.

“We’re not ready to say it’s Fire Scout yet, because that would be premature,” he noted. “We agree with the report that Fire Scout would likely be the first [vertical unmanned aerial vehicle] that would meet all the Coast Guard requirements.”

Overall, Blore said the Coast Guard is “taking the best from [the study’s] alternatives” and taking a balanced approach to Deepwater acquisition.

“By and large, [the study] endorses the path that Deepwater is on, and the assets we’ve chosen thus far are the correct assets,” Blore said. -- *Zachary M. Peterson*